

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTON COUNTY WATER)	
DISTRICT NO. 1: FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY FOR)	CASE NO. 92-179
SUB-DISTRICT A; FINANCING AND RATES)	

O R D E R

On April 27, 1992, Kenton County Water District No. 1 ("Kenton Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,608,744 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 235 additional customers. Project funding includes a \$750,000 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), \$770,744 in short-term bank borrowings, \$50,000 in Kenton Water funds, and \$38,000 from applicants for service in the proposed project area. The short-term bank borrowings will be converted to permanent financing after construction is complete.

Kenton Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and HUD and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on May 4, 1992, KRS

278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Kenton Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Kenton Water's proposed plan of financing with HUD is accepted.

3. Kenton Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

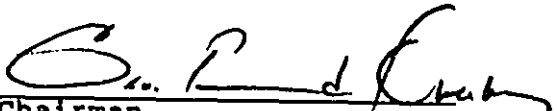
5. Kenton Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

6. Kenton Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Kenton Water shall take immediate action to bring the system into compliance with Commission regulations.

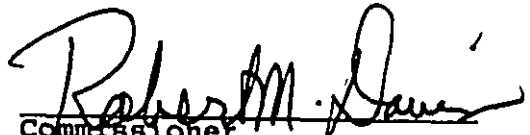
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 14th day of May, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-179 DATED MAY 14, 1992

The following rates and charges are prescribed for the customers in the area served by Kenton County Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Water Rates Kenton County Sub-District A

Monthly Rates as Follows:

First	200 cubic feet ¹	\$27.94 monthly minimum bill
Next	1,500 cubic feet	1.54 per 100 cubic feet
Next	165,000 cubic feet	1.33 per 100 cubic feet
Next	500,000 cubic feet	1.80 per 100 cubic feet
Over	666,700 cubic feet	.80 per 100 cubic feet

¹ Includes \$24.34 monthly surcharge.